Company and Charity Information

Directors and trustees (at date of approval of report)
Mark Burman
Simon Chamberlain
Oisin Crawley
Antony Jones
Barbara Leenen
Samantha Short Appointed 4th September 2016
Victoria Smith Appointed 4th September 2016
Andrew Turner
Stuart Wilson

Secretary
Mark Jacobs

Company number
03796669

Charity number
1079121

Registered office
Studio 7
1a Beethoven Street
London
W10 4LG

Auditors
Cheyettes Ltd
167 London Road
Leicester
LE2 1EG

Principal office
Studio 7
1a Beethoven Street
London
W10 4LG

Bankers
HSBC Bank plc
25 Notting Hill Gate
London
W11 3JJ

Scottish Widows Bank plc
PO Box 12757
67 Morrison Street
Edinburgh
The trustees, who are also directors of the charity for the purposes of the Companies Act (and hereafter referred to collectively as the trustees), present their report and the financial statements for the year ended 30th June 2016. The trustees have adopted the provisions of the Statement of Recommended Practice: Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (FRSSE) (effective 1st January 2015) published on 16th July 2014 in preparing the annual report and the financial statements of the charitable company.

Reference and administrative details

All reference and administrative details of the charitable company are either provided in the Company and Charity information on page 3 or set out hereunder.

Structure, governance and management

The entity is a charitable company limited by guarantee and is governed by its Articles of Association. The trustees who served during and subsequent to the year-end are as stated below:

- Mark Burman
- Simon Chamberlain
- Oisin Crawley
- Piers Flavin
- Antony Jones
- Atul Kumar-Beurg
- Barbara Leenen
- Samantha Short
- Victoria Smith
- Andrew Turner
- Stuart Wilson

Resigned 6th March 2017

Resigned 5th September 2016

Appointed 4th September 2016

Trustee appointment, induction and training

The business of the charity is overseen by a Board of Trustees, which meets on a quarterly basis, together with the Managing Director, to discuss and determine strategic, financial and operating requirements. The daily operation of the organisation is undertaken by the Managing Director based in London, (Mark Jacobs), supported by The Director of Programmes and Operations based in Madagascar (Lisa Bass). The Director of Programmes and Operations also attends trustee meetings whenever practical.

The trustees are appointed exclusively by the other serving members of the board. New trustees are briefed on their legal obligations and responsibilities under charity and company law, the contents of the Articles of Association, decision-making processes, and recent financial performance and activities of the charity.

Objectives and activities

The year to the end of June 2016 has been an important period in the history of SEED Madagascar. The charity was established in 1999 for the benefit of the people and environment of Madagascar. To this end, we focussed our efforts over the last 16 years on achieving the following Objects as set out in our Articles of Association which include:

a) To relieve poverty amongst the inhabitants of Madagascar.

b) To advance education amongst the inhabitants of Madagascar.

c) To advance the education and knowledge of the general public about Madagascar.

During much of this time we have worked with and resourced projects through the valued support and assistance of NGO Azafady, an association of individuals established in Madagascar. We have focussed and continue to focus our operations in the Anosy Region of South East Madagascar where we have a permanent base in Fort Dauphin. We carry out projects with funds raised from donors in the UK and worldwide. Projects
can be specific to the requirements of funding entities or individuals or projects which are for the specific benefit of the local community as determined in accordance with principles set by the charity.

We have now entered into the second term of an Accord de Siege with the Government of Madagascar which permits our UK based organisation to establish its own legal and fiscal presence in Madagascar enabling us to deliver projects, and provide advice and support directly where it is needed. We will continue to work with local partners where that is more effective.

Having a permanent base in the country, we have accumulated a wealth of experience in identifying need and delivering projects to local communities, which is valued not only by those communities, but also others who from time to time seek to do like-minded work in Madagascar.

Recognising that Madagascar remains one of the poorest countries on Earth and also supports a natural and living environment that has a worldwide significance, what we do will continue to be relevant and necessary for the foreseeable future. As a result, we decided to review what we do, how we work and how we should focus our efforts.

We aim to enhance the capacity of individuals, communities, organisations and governmental bodies in fulfilling sustainable development and conservation goals in southeast Madagascar.

We have changed our name to SEED Madagascar to emphasise our priorities for our funders, supporters and stakeholders.

A SUSTAINABLE ENVIRONMENT balancing sustainable livelihoods with conservation of the environment.

EDUCATION of its own people and about Madagascar.

DEVELOPMENT of individual and local community responsibility.

Many of these Objectives are interdependent and support the others to achieve maximum effect and benefit and by embedding responsibility for them in the local community.

A detailed assessment of the main projects in hand or completed during the year is contained in Section 2 below entitled Review of Projects and Benefit to the Public” (Pages 8 to 26).

These are grouped in the main areas supported of Community Health, Construction, Sustainable Livelihoods and Environment.

Staff and Volunteers

The Managing Director based in London, (Mark Jacobs), and the Director of Programmes and Operations based in Madagascar, (Lisa Bass), are the only staff directly employed full time by the charity. As we move to more direct employment of Malagasy staff in Madagascar, as permitted by the Accord de Siege, this is expected to increase.

We wish to record our appreciation of the commitment, dedication and patience of Mark and Lisa in driving the charity forward in a challenging environment.

In the London office the Project Development Coordinator and part-time International Volunteer Coordinator support the Managing Director along with many other volunteers and interns. In the UK, volunteers have supported the charity’s work in areas including Project Development, Administration, Design, IT, Finance, Law and Fundraising.
In Madagascar, the Director of Programmes and Operations is supported by two Project Development Heads and a Conservation Research Coordinator. SEED’s twenty long-term, in-country interns and specialist volunteers are the lifeblood of SEED’s operations, making a significant impact on SEED’s work in areas such as Project Development, Conservation Research, Volunteer Support and project roles in support of Malagasy staff. Long-term volunteers bring international expertise, enabling us to improve projects and in return continue to develop their own professional capabilities supporting their career aspirations in the field of project development.

Our programme volunteers in Madagascar (Pioneer Programme; SEED Conservation Programme and Short-Term Programme) have been instrumental in data collection for our conservation research work, provided much needed skills and labour for our school building programmes, as well as providing ad hoc assistance to various projects. SEED’s programmes have seen a significant increase in volunteers in 2016. This is due in part to our exciting new partnerships with volunteer recruitment agencies. A 30% increase in numbers has contributed to a substantial increase in our unrestricted income.

Longer term volunteers and internships have also increased in number over the same period, making a significant impact on SEED’s work. This is principally within our Project Development department but also in specialist and project roles in support of Malagasy staff.

As ever, this year’s accomplishments have only been possible due to the hard work and support of our volunteers working in both the UK and Madagascar. The Board of Trustees would like to thank all those who have given their skills and time during the year help to fulfil our objectives.

Risk management

In parallel with the review of the charity’s objectives, the Trustees decided to undertake a review of processes which ensure that the charity has policies and procedures which are complete, up-to-date and relevant. An Audit and Risk Committee has been appointed to oversee the work and work is in hand to formalise a methodology of identifying and assessing risks inherent in the charity’s activities, coupled with ensuring there are appropriate measures to consider their acceptability and as necessary mitigate them.

Financial review and reserves policy

SEED operates a reserves policy which is reviewed annually. It is the trustees’ policy to maintain a General Reserve sufficient to safeguard operations for a minimum period of six months and to fund commitments should circumstances ever require us to cease activity in Madagascar. It is not possible to estimate a precise figure as the needs of the charity fluctuate depending on the number and size of projects being undertaken. The level of reserves (which are held in bank accounts) is monitored regularly.

General Expenditure is all expenditure excluding External Project Expenditure and SEED Madagascar Project Expenditure. External Project Expenditure is funded by grants received from External Funders for specific purposes and which can only be used for direct and indirect expenditure on projects in accordance with the funding agreement entered into with each funder or the terms of a specific donation.

All income received from funders and other sources which is not restricted for External Project Expenditure is treated as General Income and is available at the discretion of the Trustees for charitable purposes and running the company. The trustees may allocate unrestricted funds to specific charitable projects and activities. Such expenditure is treated as SEED Madagascar Project Expenditure. Details of the principal sources of funding are disclosed in the notes to the financial statements.

SEED Madagascar has been a principal funder of the core costs of NGO Azafady (a local Malagasy association) which provides people and resources in Madagascar for the implementation of projects. All core costs funded by SEED are treated as SEED Madagascar Project Expenditure. In order to increase efficiency and further reduce costs, SEED is moving towards direct employment of staff, as allowed by our Accord de Siege. We are also seeking additional NGOs in order to broaden funding diversity and to assist in the delivery of projects.

During the year, the charity’s income totalled £516,213 and expenditure £479,129, resulting in net incoming resources before recognised gains of £37,084.
The Charity has no endowment capital. At 30th June 2016 the charity had unrestricted funds of £114,240 (2015 - £107,705) and restricted fund balances of £207,066 (2015 - £176,517). Included in restricted funds were projects in deficit as disclosed in the notes to the financial statements; the trustees are confident that these funds can be credited after date either by the specific allocation of receipts or by transfer of sums from unrestricted resources.

Statement of trustees' responsibilities

The trustees (who are also directors of SEED Madagascar for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRSSE);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

- there is no relevant audit information (information needed by the charitable company's auditors in connection with preparing their report) of which the charitable company's auditors are unaware, and
- the trustees have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

These financial statements (comprising Section 1 Directors' Report, Section 2 Projects Report and Section 3: Financial Statements) have been prepared in accordance with the provisions applicable to companies subject to the small companies’ regime.

This report was approved by the Board and signed on its behalf on 14th March 2017 by

Antony Jones
Chairman
Review of Projects and Benefit to the Public

As an organisation we have developed over the years, and have shifted to have increased emphasis on local capacity building to deliver projects. We work closely with individuals, communities & organisations as well as the government of Madagascar. We feel that by working with the local community we are able to aid community resilience and achieve the greatest impact using minimal resources.

A holistic approach remains at the heart of our ethos, in which programmes, projects and personnel collaborate across our departments to tackle complex issues in pursuance of our charitable objectives. Consequently there can be many outcomes of what may appear to be simple projects and with significant impact on the community.

Having given due consideration to the Charity Commission’s published guidance on the Public Benefit requirement under the Charities Act 2011 the Trustees are satisfied that the work done both benefits the public in Madagascar and raises global public awareness of the special value of Madagascar.

A brief outline of this year’s principal projects is provided below. Unless stated otherwise, project outlines and achievements are cumulative to the 30th June 2016.

supports the Sustainable Development Goals adopted by the Member States of the United Nations in September 2015. For each project icons indicate which goals are targeted.
Community Health

Project Fatsaka: Community led well management

The successful Fatsaka pilot started in June 2015 and ended in May 2016. Over the past ten years SEED has built over 70 wells in the rural areas surrounding Fort Dauphin. Over time, poor well management and detrimental behaviours such as open defecation have led to many of these wells falling into disrepair, leaving water open to contamination.

Following the successful use of CLTS (Community Led Total Sanitation) in other community health projects, Fatsaka made innovative use of CLTS methodologies in supporting communities to recognise the importance of clean water, and the causes and prevalence of dangerous contamination.

Through community triggering sessions and the establishment of well committees, the pilot supported communities to repair and safeguard their wells long into the future. Key to the success of this project has been the complete hand-over of ownership of the wells to the villages that are using them. All well committees have received training in repairs, financial management and have established a system of community contributions to pay for any future repair work. Building on these successes, a second phase that aims to reach almost 15,000 people has been designed and is planned to begin in April 2017.

13 broken wells now repaired and functioning
13 well committees established with women’s representation and communal money for repairs
Improvements in water quality and sanitation at 13 wells
Project Tatirano:
*Rural rainwater harvesting*

Another successful one-year pilot, Tatirano came to a close at the end of October 2016. Tatirano has sought to provide clean drinking water to rural communities using a simple rainwater harvesting technique.

A rainwater harvesting system was installed on the primary school roof in the rural fokontany (collection of hamlets) of Sainte Luce to demonstrate the simplicity and utility of the technique.

The system collects and stores clean drinking water for the children attending the school using two 10,000 litre plastic tanks imported from South Africa. A community-elected management committee was established in the early months of the pilot and now has taken over complete ownership and responsibility of the maintenance and usage of the system, with dramatic improvements in water quality found in comparison to the water sources previously used most by the community.

A scaled-up version of the project has now been developed that seeks to capitalise on the high-visibility intervention at the school and bring rainwater harvesting to people’s homes.

**15 training sessions and meetings conducted**
**Reduction in faecal coliform count of 86% compared to closest water-source**
**144 children accessing clean water from Rainwater Harvesting System**
Project Malio:  
*Urban sanitation and hygiene*

Funded by the Guernsey Overseas Aid Commission and the Big Lottery Fund and working with our partner NGO Azafady, this three-year project began in May 2014 with the aim of eliminating or significantly reducing the practice of open defecation from Fort Dauphin.

Open defecation has serious health implications, including increasing incidence of diarrhoea and malnutrition and contributing to the high under-5’s mortality rate. Malio is engaging the town in a high impact and broad scale behaviour change programme targeting the most vulnerable families and school children using a CLTS approach. Malio’s second year (PY2) ran from May 2015 to April 2016, improving sanitation infrastructure and hygiene practices and reducing illness.

Thousands of school children have received participatory hygiene education sessions and many Fort Dauphin residents have benefited from a mass media campaign. PY3 began in May 2016, seeing increased participation and engagement of the community. Their positive perception of the project’s crucial work has enabled success and continued sustainability.

- 675 household latrines built, being used by 7,336 beneficiaries
- 14,000 school children received participatory hygiene education sessions
- 33% decrease in incidence of diarrhoea for household latrine beneficiaries

![Image of a latrine with the SEED Madagascar logo]

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**SDGs Alignments**

1. **Global Goals**: Good Health and Well-Being, Gender Equality, Clean Water and Sanitation, Partnerships for the Goals
Project Votsira:

*Maternal and child health*

Votsira Phase 3 Module I began in July 2015 to address knowledge deficits amongst women in Fort Dauphin that contribute to the town’s poor maternal and child health outcomes.

Phase 3 is raising awareness of key maternal and child health concerns and supporting realistic improvements to chronically weakened health infrastructure. Module I is a two-year project centred on maternal health, focusing its activity around the provision of vital health information for pregnant women and their families.

Over the past 12 months, focus groups and household visits have been held with women in each of the town’s fokontany. Survey results have been strong across the board, already showing leaps in post-natal visit attendance and knowledge surrounding breastfeeding. The second module, using similar techniques to improve child health, will begin in July 2017.

1,065 household visits (2,269 direct beneficiaries)
199 antenatal waiting sessions (3,757 direct beneficiaries)
Decrease from 51% at BL to 1% of women who would dump colostrum at Year 1 evaluation
Project Safidy:  
*Sexual health and reproductive rights*

Funded by the Mercury Phoenix Trust and the Adsum Foundation, Safidy Phase II ran between October 2014 and September 2015.

The project aimed to build the capacity of peer educators in Fort Dauphin to improve sexual health education in order to prevent HIV, STIs and unplanned pregnancies. SEED worked alongside students and teachers at public high school and middle schools in Fort Dauphin to develop and introduce new sexual health education sessions and awareness raising activities.

A course of ‘bitesize’ information giving sessions was developed and delivered to middle school students across the town. SEED will build on the successes of Phase II in a third phase, further refining and piloting the ‘bitesize’ sessions in Anosy and Androy before taking them nationwide.

18 peer educators recruited and trained  
1,674 middle school students received ‘bitesize’ sexual health sessions  
107% increase in Anti-Aids Club membership
Project Rohy:  
*Family planning, health and environment*

Project Rohy is a six-month project which aims to find an integrated, network approach to meet family planning, health and environmental needs in southeast Madagascar.

Over six months, intensive Population, Health and Environment (PHE) research into the community expressed needs, priorities and practices in the Mahatalaky Rural Commune has been carried out, whilst also assessing current service limitations and barriers to access. SEED engaged in consultation in six remote fokontany in Mahatalaky Rural Commune.

This consultation has produced a comprehensive map of the needs, knowledge and practices of communities, with regards to health, family planning, natural resource management (NRM) and livelihoods challenges. It has also assessed the current health service provision to identify gaps and opportunities to reduce and remove the barriers to accessing health services or seeking professional medical care. Additionally this research has allowed for an analysis of existing structures and NRM systems, and possible opportunities for capacity building and advocacy in future programming.

**Insight into fundamental community priorities gained**
**Analysis of the collected qualitative data underway**
**Identification of cross-sector collaboration with potential partners and across SEED’s departments**
Section 2. Review of Projects and Benefit to the Public

Year ending 30th June 2016

Construction

Projects Sekoly:  
School construction and refurbishment

Project Sekoly is an ongoing school infrastructure and WASH programme that SEED has run across Anosy for several years working with our local partner NGO Azafady.

The 23-month initiative at Manambaro began in April 2015 and aims to increase the capacity of the town’s High School, providing a safe and sanitary learning environment for students. The school has been provided with a well, a latrine block and a furnished school building, increasing classroom capacity.

Management and maintenance committees have been established and trained to ensure the sustained and appropriate use of the well and latrine block. Along with WASH sessions for the school’s students, the committees have contributed to the elimination of open defecation at the school. A further school building is close to completion, along with a second latrine block.

Sekoly: Mahatalaky began in June 2016 and has sought to address critical capacity issues by refurbishing a dilapidated school building and constructing a new one. This will ensure that the Mahatalaky has sufficient classroom capacity and remove the threat of a structurally unsound roof.

Construction close to completion on 1 well and 2 school buildings  
Classroom capacity increased by 80 places at Manambaro High School  
Increase in classroom capacity of 280 places next year
Project Fanaka:

School furniture provision

Through multiple phases, Fanaka provides desk-benches to schools which do not have adequate seating facilities.

An insufficient supply of basic educational infrastructure is limited in the Anosy region. Only half the schools in Madagascar have enough benches for their students, contributing to the fact that 50% the region’s school aged children have never even been to school.

Fanaka provided 150 benches to three rural schools in Elarina, Marovato and Ranopiso between August and November 2015.

50 benches provided to middle schools
100 benches provided to primary schools
Appropriate seating provided for 300 school children
Sustainable Livelihoods

School in a Bag:

*Provision of essential school equipment*

SEED partnered with School in a Bag to distribute schoolbags across 12 middle and primary schools in the Anosy region between October 2014 and December 2015.

The aim was to support high-achieving children to progress to the next year of their education.

Each bag was equipped with a raincoat, a compass set, ten pens, pencils, a pencil case, ruler and six exercise books to encourage students to attend school and learn effectively.

Beneficiaries selected based on need

Presentations held for each bag recipients, their parents and other students

160 bags distributed to 6 schools
Project Serasera:  
*English language learning and resource production*

Beginning in June 2015, this 23-month pilot aims to create produce and test English language learning resources to improve the English speaking capacity of people in Fort Dauphin.

Poor English teaching and a lack of adequate resources limit the English language capabilities of Fort Dauphin’s population. Despite this, livelihood opportunities and educational attainment are often dependent on English language skills. SEED has therefore pursued the production of English media resources for middle and high school students in collaboration with their English teachers.

The English resource content has been written and is currently being used to create SD cards, CD’s and workbooks. As well as distributing this material throughout the selected schools in Fort Dauphin, the material has been altered to be applicable to an international audience and adult students, and placed on an internet platform called Free Basics. This platform, part of Facebook, allows SEED’s English lessons to be placed online, and accessed on a mobile phone internationally, free of charge.

Content for 9 modules of middle school English content developed  
Content for 12 modules of High school material developed  
Place for content on Free Basics platform secured
Project Mampianatra:  
*English teacher capacity building*

Currently unfunded, project Mampianatra aims to improve the English speaking capacity of students in Fort Dauphin.

The project’s second phase began in January 2016, placing English teaching volunteers in classrooms alongside Malagasy English teachers, and delivered one-to-one English sessions for the staff of ONG Azafady.

A team-teaching approach has been used to build the capacity of the teachers while also exposing students to native English speakers. A third formalised phase has been developed and is currently seeking funding.

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33 classes run across Fort Dauphin’s middle schools and high schools  
8 volunteer English teachers recruited  
436 one-to-one lessons delivered to ONG Azafady staff
Project Stitch Sainte Luce:  
*Sustainable livelihoods through embroidery*

Phases I and II of Stitch Sainte Luce trained and supported a group of women to produce high quality embroidered products, increasing their income, social standing and confidence within both their households and the community.

Selling these products within Madagascar and internationally has increased the embroiderers’ income and consequently, they have been able to pay for more food of a higher quality, medicine, education, clothing and household improvements.

Phase III has built on the successes of the previous phases, focusing on the long-term sustainability of the project and the establishment of a robust women’s embroidery association. This is being achieved through business skills training and improved trade links with national and international markets.

316% increase in the average earning of embroiderers  
45,000,000 MGA of sales between August 2015 and July 2016  
215 community members benefiting from Stitch incomes
Project Renitantly:
Beekeeping as a sustainable livelihood (New project - 2016/2017 period)

Beginning in September 2016, this sustainable livelihoods beekeeping project is currently still seeking further funding.

The project aims to increase incomes, reduce dependence on natural resources and improve biodiversity in endangered forest environments through the development of beekeeping as a sustainable livelihood practice.

Working across six fokontany, SEED will develop and expand an intensive capacity-building programme for motivated beekeepers using a Farmer’s Field School approach, whilst also safeguarding long-term sustainable benefits to the wider community.

Emergency Varroa Response:
Beekeeping as a sustainable livelihood

Beginning in July 2016, this emergency project will respond to the recent detection of the varroa mite (Varroa destructor) in Anosy. Identified by experts as one of the gravest threats to honeybee populations worldwide, varroa is a parasite that has decimated honeybee populations across Europe and now poses significant threat to the livelihoods of already vulnerable rural communities in Anosy.

To respond to the immediate threat of varroa, there needs to be effective treatments readily available to communities, alongside training in how to use these treatments effectively. Through collaboration with communities, local stakeholders and regional bodies, SEED will promote the development of affordable and sustainable treatments to varroa.

SEED will build on successful models developed through a beekeeping pilot project to encourage the use of locally-sourced materials and alternative solutions to beekeeping problems, which can be sustained by communities in the long-term.
Project Oratsimba:
*Promoting sustainable fishery management*

Funded by FAO-Smartfish, Oratsimba and working with NGO Azafady Phase II began in October 2014, and concluded in July of 2016. Phase II built on the successes of the first phase, which aimed to improve declining spiny lobster stocks in the traditional fishing village of Sainte Luce.

Phase II saw significant capacity building of the community-led fishery management committee, introduced further management measures, supported community education, and included the informal introduction of two neighbouring communities who have implemented their own pilot No-Take Zones in their communities. Phase II also saw regular liaison occurring between government regulatory and research bodies, as well as the private sector, with the aim of increasing enforcement and improving value chains for fishers.

The community of Sainte Luce has seen livelihood improvements through implementing sustainable fishery management, and all three communities remain highly committed and interested in the process. Funds are being sought for Phase III, which will formally incorporate two new target communities and work towards the creation and implementation of a replicable model for fishery management that can be applied elsewhere in the region.

**Reduction in catch per unit effort when No Take Zone is open**

- 30% increase in price paid to fishers
- Viral project replication in two adjacent communities

![Diagram of SDGs](Image)
Project Mitsinjo:
*Holistically improving health and developing livelihoods*

Funded by the Addax and Oryx Foundation and working with NGO Azafady, Project Mitsinjo was a two-year initiative aiming to improve community health and nutrition, promote livelihood diversification and reduce dependence on finite natural resources in five *fokotany*.

Through a combination of regular skills training, household material distributions, culinary demonstrations and mass mobilisations, Mitsinjo aimed to introduce simple and low cost income activities to households, schools and communities.

These included composting, beekeeping, agroforestry, the building of fuel efficient stoves, and handwashing. Many of these provide improved opportunities for income alongside providing significant health benefits, such as honey for medicinal household use that can also be sold for profit, or fruit trees which will provide households with improved nutrition with surpluses supplementing household incomes.

522 fuel efficient stoves constructed and distributes
6,084 fruit trees distributed with 87% survival rate
Up to 100% increase in rice yields through composting
Conservation

Prospective Project Aroafo:
Fire prevention, impact mitigation and response

Currently seeking funding, the initial phase of Aroafo will conduct participatory mapping and community consultation exercises to ascertain community and stakeholder views surrounding fire risk and mitigation, areas and time periods of high fire risk, and suitable sites for firebreaks. Working within Sainte Luce, SEED will support the community to assess its own dina and if needed, develop provisions to ensure effective fire prevention, impact mitigation and fire response strategies are in place. Once agreed at both community and stakeholder level, SEED will work with the community to ensure that the fire prevention plans outlined in the dina are adopted and enforced.

Project Rufus:
Fruit bat conservation

Having begun in January 2016, Project Rufus aims to conserve the P. rufus (fruit bat) colony in the S6 forest fragment of Sainte Luce. In recent years, the colony inhabiting the S6 forest fragment has been subject to high levels of human disturbance from logging and hunting, leaving the bats in an almost perpetual state of distress. Regional stakeholders have agreed upon implementing an exclusion zone - in which no logging or bat hunting can be conducted - that will be managed by two Forest Patrol Officers. To enable scientific research, SEED’s pioneer volunteers have constructed the frame of a bat hide using locally sustainably sourced materials. Local guides will consequently be presented with the opportunity to conduct tours, providing a source of sustainable income to the local community, whilst causing minimal disturbance to the colony. Reforestation efforts are also underway. The children of Club Atsatsaky (a SEED-run conservation club) have been instrumental in establishing a tree nursery.

133 guava seeds germinated and 1,000 fig seeds planted in the SCP nursery
200 local children reached through 2 conservation clubs
2,000 individuals informed of P.rufus benefits through World Environment Day celebrations
Project Microcebus:  
*Conservation of new mouse lemur species*

SEED’s discovery of an undescribed, candidate species of mouse lemur (*Microcebus sp. nov.*) – yet to be formally described – presents an excellent opportunity to safeguard the Sainte Luce littoral forest.

Currently seeking funding, Project Microcebus will conduct extensive research to provide a first assessment of the population and investigate its distribution within the forest. It is anticipated that the species will be classified as ‘Endangered’, becoming a priority species within Anosy. SEED will ensure a holistic approach to *Microcebus* conservation by working with key stakeholders and engaging the local community through mass mobilisation events and local environmental education classes.

The project will also support the construction of habitat corridors between forest fragments, increasing the amount of suitable habitat available to the species while offering an excellent opportunity to build fire prevention, response and mitigation capacity of the local community.
SEED Madagascar looks forward to exciting new developments. SEED’s Conservation Programme will gain momentum with the likelihood of several new species being described. Exciting new steps will be taken in existing projects such as Oratsimba, Stitch and Rohy while large scale-ups are expected in projects such as Tatirano. With the generous support of Amplify Change, the next phase of Project Safidy will take our sexual health and reproductive rights message to a national level. New collaborations both inside and outside Madagascar will further increase SEED Madagascar’s ability to fulfil its charitable aims.

As well as our Madagascar-based support of local education in the form of school building, English teaching and expansion of education resources, efforts have been made to raise awareness and provide education about Madagascar to the global community. This year SEED expanded its associations with zoos in both the UK and the USA, and attended numerous talks and fairs in British universities. It increased its internet presence not least with a new and more comprehensive website, and an expansion of its social media presence. Thanks to the efforts of our PR volunteer, we appeared in various media including The Guardian and BBC Radio 4. SEED promoted Malagasy women’s embroidery from Project Stitch at over ten fairs and events, most notable of which was the four-day Glastonbury Music Festival. In the coming year, the team is planning on supporting a schools education campaign in the Lake District in collaboration with the Lake District Wildlife Park.

While not forming part of this formal report further back-ground on projects and recent events can be found by clicking here or on our website at the following address: https://madagascar.co.uk/projects
Section 3. Financial statements for year ending 30th June 2016

Independent auditor's report to the members of SEED Madagascar

Financial Statements

We have audited the financial statements of SEED Madagascar for the year ended 30th June 2016 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective January 2015) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

This report is made solely to the charitable company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company’s members those matters we are required to state to them in an auditors’ report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Trustees' Responsibilities Statement, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company’s circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. We have undertaken the audit in accordance with the requirements of APB Ethical Standards including APB Ethical Standard - Provisions Available for Small Entities, in the circumstances set out below:

In common with many other charities of this size and nature we prepare and submit, where necessary, returns to the tax authorities and assist with the preparation of the financial statements.

Opinion on the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company’s affairs as at 30th June 2016 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.
Opinion on other matters prescribed by the Companies Act 2006.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

Philip John Dymond FCCA (senior statutory auditor)
For and on behalf of Cheyettes Ltd
167 London Road
Leicester LE2 1EG
Chartered Certified Accountants and Statutory Auditors
### Statement of financial activities

(incorporating the income and expenditure account)

for the year ended 30th June 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>Total funds 2016</th>
<th>Total funds 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
</tbody>
</table>

**Income and endowments from:**

- **Donations and legacies**
  - (2) 165,225 350,200 515,425 564,231
- **Investment income**
  - (4) 788 - 788 868

**Total income and endowments**

- 166,013 350,200 516,213 565,099

**Expenditure on:**

- **Raising funds**
  - (5) 7,680 - 7,680 8,469
- **Charitable activities:**
  - Projects (6) 138,153 282,577 420,730 449,358
  - Education (6) 50,719 - 50,719 57,913

**Total expenditure**

- 196,552 282,577 479,129 515,740

**Net income/(expenditure)**

- (30,539) 67,623 37,084 49,359

**Transfers between funds**

- 37,074 (37,074) - -

**Net movement in funds**

- 6,535 30,549 37,084 49,359

**Total funds brought forward**

- 107,705 176,517 284,222 234,863

**Total funds carried forward**

- 114,240 207,066 321,306 284,222
### Balance sheet as at 30th June 2016

<table>
<thead>
<tr>
<th>Notes</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td><strong>Fixed assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tangible assets</td>
<td>11</td>
<td>3,415</td>
</tr>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debtors</td>
<td>12</td>
<td>12,185</td>
</tr>
<tr>
<td>Cash at bank and in hand</td>
<td></td>
<td>322,365</td>
</tr>
<tr>
<td></td>
<td></td>
<td>334,550</td>
</tr>
<tr>
<td><strong>Creditors: amounts falling due within one year</strong></td>
<td>13</td>
<td>(16,659)</td>
</tr>
<tr>
<td><strong>Net current assets</strong></td>
<td></td>
<td>317,891</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td></td>
<td>321,306</td>
</tr>
<tr>
<td><strong>Funds</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Restricted funds</td>
<td>14</td>
<td>207,066</td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>15</td>
<td>114,240</td>
</tr>
<tr>
<td><strong>Total charity funds</strong></td>
<td>16</td>
<td>321,306</td>
</tr>
</tbody>
</table>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 and the Financial Reporting Standard for Smaller Entities (effective January 2015) relating to small companies.

The financial statements were approved by the Board and signed on its behalf on 14th March 2017 by

**Antony Jones**
Director

14th March 2017

Registration number 03796669
Section 3. Financial statements for year ending 30th June 2016

Notes to the financial statements

1. Accounting policies

1.1. Accounting convention

The financial statements are prepared under the historical cost convention. In preparing the financial statements the charity follows best practice as laid down in the Statement of Recommended Practice (SORP): Accounting and Reporting by Charities applicable to charities preparing their accounts in accordance with the Financial Reporting Standard for Smaller Entities (the FRSSE) (effective 1st January 2015) and the Companies Act 2006.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

1.2. Company status

The charity is a company limited by guarantee. The members of the charity are the trustees and in the event of winding up, the liability in respect of the guarantee is limited to £10 per member.

1.3. Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity which have not been designated for any other purposes. Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes.

Restricted funds are those which can only be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular restricted purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.4. Income

Income is included in the Statement of Financial Activities (SOFA) when the charity is legally entitled to it and the amount can be quantified with reasonable accuracy.

Income received by way of donations, gifts and legacies is included in full in the Statement of Financial Activities when receivable.

Gifts in kind donated for distribution are included at valuation and recognised as income when they are distributed to the projects. Donated facilities are included at the value to the charity where this can be quantified and a third party is bearing the cost. No amounts are included in the financial statements for services donated by volunteers.

Investment income is included when receivable.
1.5. **Expenditure**

Expenditure is included in the Statement of Financial Activities on an accruals basis, inclusive of any VAT which cannot be recovered.

The costs of raising funds comprise those costs associated with attracting voluntary income.

Charitable expenditure comprises those costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them. Certain expenditure is directly attributable to specific activities and has been included in those cost categories. Certain other costs, which are attributable to more than one activity, are apportioned across cost categories on the basis of either an estimate of the proportion of time spent by staff or upon the usage of those activities.

1.6. **Tangible fixed assets and depreciation**

Depreciation is provided at rates calculated to write off the cost less residual value of each asset over its expected useful life, as follows:

- **Fixtures, fittings and equipment** - 20% straight line

All capital items in excess of £500 are capitalised as tangible fixed assets.

1.7. **Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable and payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

1.8. **Leasing**

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

1.9. **Pensions**

The pension costs charged in the financial statements represent the contribution payable by the charitable company during the year.

1.10. **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange prevailing at the accounting date. Transactions in foreign currencies are recorded at the date of the transactions. All differences are taken to the Statement of Financial Activities.
Section 3. Financial statements for year ending 30th June 2016

Notes to the financial statements

2. Income from donations and legacies

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>Total 2016</th>
<th>Total 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Donations</td>
<td>150,643</td>
<td>122,416</td>
<td>273,059</td>
<td>360,311</td>
</tr>
<tr>
<td>Grants</td>
<td>300</td>
<td>227,784</td>
<td>228,084</td>
<td>177,717</td>
</tr>
<tr>
<td>Refund of tax (gift aid)</td>
<td>14,282</td>
<td>-</td>
<td>14,282</td>
<td>26,203</td>
</tr>
<tr>
<td></td>
<td>165,225</td>
<td>350,200</td>
<td>515,425</td>
<td>564,231</td>
</tr>
</tbody>
</table>

In 2015 £365,309 of the above income was attributable to restricted and £198,922 to unrestricted funds.

3. Specific donations and grants

<table>
<thead>
<tr>
<th>Donor</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Addax &amp; Oryx Foundation</td>
<td>41,639</td>
</tr>
<tr>
<td>Australian Aid</td>
<td>20,713</td>
</tr>
<tr>
<td>Big Lottery Fund Grant</td>
<td>97,568</td>
</tr>
<tr>
<td>Clark Mitchell</td>
<td>15,588</td>
</tr>
<tr>
<td>Comic Relief</td>
<td>8,992</td>
</tr>
<tr>
<td>Evan Cornish Foundation</td>
<td>4,995</td>
</tr>
<tr>
<td>Global UK</td>
<td>6,951</td>
</tr>
<tr>
<td>Guernsey Overseas Aid Commission</td>
<td>19,480</td>
</tr>
<tr>
<td>J. Hall</td>
<td>6,000</td>
</tr>
<tr>
<td>Leopardess Foundation</td>
<td>19,696</td>
</tr>
<tr>
<td>Mercury Phoenix Trust</td>
<td>10,000</td>
</tr>
<tr>
<td>Minnesota Zoo Foundation</td>
<td>1,730</td>
</tr>
<tr>
<td>Phoenix Zoo</td>
<td>2,104</td>
</tr>
<tr>
<td>Rufford Foundation</td>
<td>10,000</td>
</tr>
<tr>
<td>Souter Charitable Trust</td>
<td>3,000</td>
</tr>
<tr>
<td>Travers Cox Charitable Foundation</td>
<td>21,026</td>
</tr>
<tr>
<td>Trade Aid UK</td>
<td>16,300</td>
</tr>
<tr>
<td>Other restricted donations and grants</td>
<td>44,418</td>
</tr>
</tbody>
</table>

Total restricted income: 350,200

Pioneer scheme and short-term volunteers: 26,077
SEED Conservation Programme: 25,848
Other unrestricted income: 113,300

Total donations and grants: 515,425
4. Income from investments

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>Total 2016</th>
<th>Total 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest receivable</td>
<td>788</td>
<td>-</td>
<td><strong>788</strong></td>
<td><strong>868</strong></td>
</tr>
</tbody>
</table>

All income from investments was attributable to unrestricted funds.

5. Expenditure on raising funds

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>Total 2016</th>
<th>Total 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Staff and contractors costs</td>
<td>2,786</td>
<td>-</td>
<td><strong>2,786</strong></td>
<td><strong>3,191</strong></td>
</tr>
<tr>
<td>Premises costs</td>
<td>892</td>
<td>-</td>
<td><strong>892</strong></td>
<td><strong>855</strong></td>
</tr>
<tr>
<td>Communication costs</td>
<td>245</td>
<td>-</td>
<td><strong>245</strong></td>
<td><strong>316</strong></td>
</tr>
<tr>
<td>Travel and volunteer costs</td>
<td>590</td>
<td>-</td>
<td><strong>590</strong></td>
<td><strong>1,824</strong></td>
</tr>
<tr>
<td>Legal and professional costs</td>
<td>198</td>
<td>-</td>
<td><strong>198</strong></td>
<td><strong>118</strong></td>
</tr>
<tr>
<td>Audit and accountancy fees</td>
<td>1,685</td>
<td>-</td>
<td><strong>1,685</strong></td>
<td><strong>1,255</strong></td>
</tr>
<tr>
<td>Office administration</td>
<td>648</td>
<td>-</td>
<td><strong>648</strong></td>
<td><strong>442</strong></td>
</tr>
<tr>
<td>Bank charges</td>
<td>636</td>
<td>-</td>
<td><strong>636</strong></td>
<td><strong>468</strong></td>
</tr>
<tr>
<td></td>
<td><strong>7,680</strong></td>
<td>-</td>
<td><strong>7,680</strong></td>
<td><strong>8,469</strong></td>
</tr>
</tbody>
</table>

All of the above costs were attributable to unrestricted funds.
6. **Expenditure on charitable activities**

<table>
<thead>
<tr>
<th></th>
<th>Unrestricted funds</th>
<th>Restricted funds</th>
<th>Total 2016</th>
<th>Total 2015</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Direct costs:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Institutional grants</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ONG Azafady Madagascar</td>
<td>62,530</td>
<td>243,849</td>
<td>306,379</td>
<td>322,143</td>
</tr>
<tr>
<td>Salaries and social security costs</td>
<td>39,495</td>
<td>39,495</td>
<td>37,000</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>102,025</td>
<td>243,849</td>
<td>345,874</td>
<td>359,143</td>
</tr>
<tr>
<td><strong>Support costs:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Staff and contractor costs</td>
<td>52,931</td>
<td>4,215</td>
<td>57,146</td>
<td>71,445</td>
</tr>
<tr>
<td>Advertising</td>
<td>1,200</td>
<td>338</td>
<td>1,538</td>
<td>3,014</td>
</tr>
<tr>
<td>Premises costs</td>
<td>8,299</td>
<td>335</td>
<td>8,634</td>
<td>8,351</td>
</tr>
<tr>
<td>Travelling and volunteer expenses</td>
<td>4,109</td>
<td>19,022</td>
<td>23,131</td>
<td>27,240</td>
</tr>
<tr>
<td>Communication costs</td>
<td>2,500</td>
<td></td>
<td>2,500</td>
<td>3,325</td>
</tr>
<tr>
<td>Insurance</td>
<td>3,040</td>
<td>1,010</td>
<td>4,050</td>
<td>7,354</td>
</tr>
<tr>
<td>Legal and professional</td>
<td>592</td>
<td></td>
<td>592</td>
<td>355</td>
</tr>
<tr>
<td>Audit and accountancy fees</td>
<td>6,742</td>
<td></td>
<td>6,742</td>
<td>5,021</td>
</tr>
<tr>
<td>Office administration</td>
<td>3,335</td>
<td>13,567</td>
<td>16,902</td>
<td>7,512</td>
</tr>
<tr>
<td>Medical and evacuation costs</td>
<td></td>
<td></td>
<td></td>
<td>11,000</td>
</tr>
<tr>
<td>Subscriptions, membership and registration fees</td>
<td>641</td>
<td>641</td>
<td>71</td>
<td></td>
</tr>
<tr>
<td>Bank charges</td>
<td>1,907</td>
<td>56</td>
<td>1,963</td>
<td>1,454</td>
</tr>
<tr>
<td>Depreciation</td>
<td>1,551</td>
<td>185</td>
<td>1,736</td>
<td>1,986</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>86,847</td>
<td>38,728</td>
<td>125,575</td>
<td>148,128</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>188,872</td>
<td>282,577</td>
<td>471,449</td>
<td>507,271</td>
</tr>
</tbody>
</table>

In 2015 £292,750 of the above costs were attributable to restricted and £214,521 to unrestricted funds.

7. **Auditors’ remuneration**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Auditors' remuneration - audit of the financial statements</td>
<td>1,200</td>
<td>1,080</td>
</tr>
<tr>
<td>Auditors' remuneration - other fees: Bookkeeping and accountancy</td>
<td>7,227</td>
<td>5,196</td>
</tr>
</tbody>
</table>
8. Employees

**Employment costs**

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wages and salaries</td>
<td>£52,213</td>
<td>£59,659</td>
</tr>
<tr>
<td>Social security costs</td>
<td>£3,445</td>
<td>£4,153</td>
</tr>
<tr>
<td>Employer contributions to defined contribution pension scheme</td>
<td>£56</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>£55,714</strong></td>
<td><strong>£63,812</strong></td>
</tr>
</tbody>
</table>

No employee earned £60,000 or more per annum in either year. Trustees received no remuneration or expenses during the year (2015 - one trustee was reimbursed expenses of £26).

**Number of employees**

The average monthly number of employees during the year were:

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salaries - full time staff</td>
<td>2</td>
<td>2</td>
</tr>
</tbody>
</table>

9. Pension costs

The company operates a defined contribution pension scheme in respect of the employees. The scheme and its assets are held by independent managers. The pension charge represents contributions due from the company and amounted to £56 (2015 - £nil).

10. Prior year adjustments

Following the introduction of the Statement of Recommended Practice: Accounting and Reporting by Charities (effective January 2015) the treatment of certain costs previously classified as Governance has been adjusted to reallocate such items to direct Charitable Activities. This reallocation has been applied to the prior period in order to ensure that all items are strictly comparable but has no effect on the net income and expenditure or the fund balances of the charitable company.
### 11. Tangible fixed assets (held for use by the charity)

<table>
<thead>
<tr>
<th></th>
<th>Fixtures, fittings and equipment</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Cost</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1st July 2015</td>
<td>£14,868</td>
<td>£14,868</td>
</tr>
<tr>
<td>At 30th June 2016</td>
<td>£14,868</td>
<td>£14,868</td>
</tr>
<tr>
<td><strong>Depreciation</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 1st July 2015</td>
<td>£9,717</td>
<td>£9,717</td>
</tr>
<tr>
<td>Charge for the year</td>
<td>£1,736</td>
<td>£1,736</td>
</tr>
<tr>
<td>At 30th June 2016</td>
<td>£11,453</td>
<td>£11,453</td>
</tr>
<tr>
<td><strong>Net book values</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>At 30th June 2016</td>
<td>£3,415</td>
<td>£3,415</td>
</tr>
<tr>
<td>At 30th June 2015</td>
<td>£5,151</td>
<td>£5,151</td>
</tr>
</tbody>
</table>

### 12. Debtors

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Prepayments and accrued income</td>
<td>£12,185</td>
<td>£40,331</td>
</tr>
</tbody>
</table>

### 13. Creditors: amounts falling due within one year

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade creditors</td>
<td>£6,831</td>
<td>£2,837</td>
</tr>
<tr>
<td>Other taxes and social security costs</td>
<td>£1,388</td>
<td>£557</td>
</tr>
<tr>
<td>Other creditors</td>
<td>£2,162</td>
<td>£2,193</td>
</tr>
<tr>
<td>Accruals and deferred income</td>
<td>£6,241</td>
<td>£15,467</td>
</tr>
<tr>
<td>Pension contributions</td>
<td>£37</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>£16,659</td>
<td>£21,054</td>
</tr>
</tbody>
</table>

### Deferred income

<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>At 1st July 2015</td>
<td>£755</td>
<td>-</td>
</tr>
<tr>
<td>Increase in year</td>
<td>-</td>
<td>£925</td>
</tr>
<tr>
<td>Released in year</td>
<td>(£185)</td>
<td>(170)</td>
</tr>
<tr>
<td><strong>At 30th June 2016</strong></td>
<td>£570</td>
<td>£755</td>
</tr>
</tbody>
</table>

Deferred income relates to a capital grant received for the acquisition of equipment that is being amortised over the expected useful life of the asset.
### 14. Restricted income funds

<table>
<thead>
<tr>
<th>Fund</th>
<th>At 1st July 2015</th>
<th>Incoming resources £</th>
<th>Outgoing resources £</th>
<th>Transfers £</th>
<th>At 30th June 2016</th>
<th>Outgoing resources £</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fanaka</td>
<td>867</td>
<td>5,000</td>
<td>(6,437)</td>
<td>570</td>
<td>-</td>
<td>(749)</td>
</tr>
<tr>
<td>Votsira</td>
<td>17,808</td>
<td>22,225</td>
<td>(16,489)</td>
<td>(1,948)</td>
<td>21,596</td>
<td>(16,189)</td>
</tr>
<tr>
<td>Safidy</td>
<td>6,271</td>
<td>10,000</td>
<td>(5,844)</td>
<td>(427)</td>
<td>10,000</td>
<td>(4,617)</td>
</tr>
<tr>
<td>Magnampy</td>
<td>874</td>
<td>-</td>
<td>-</td>
<td>(874)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Sekoly</td>
<td>24,199</td>
<td>55,085</td>
<td>(44,605)</td>
<td>(3,256)</td>
<td>31,423</td>
<td>(26,690)</td>
</tr>
<tr>
<td>Mampianatra</td>
<td>1,611</td>
<td>341</td>
<td>(314)</td>
<td>-</td>
<td>1,638</td>
<td>-</td>
</tr>
<tr>
<td>Miaro</td>
<td>2,274</td>
<td>-</td>
<td>(1,781)</td>
<td>-</td>
<td>493</td>
<td>-</td>
</tr>
<tr>
<td>Stitch Ste. Luce</td>
<td>31,805</td>
<td>24,095</td>
<td>(25,087)</td>
<td>(3,056)</td>
<td>27,757</td>
<td>(31,421)</td>
</tr>
<tr>
<td>Volyhazo</td>
<td>(1)</td>
<td>-</td>
<td>-</td>
<td>(1)</td>
<td>-</td>
<td>(1)</td>
</tr>
<tr>
<td>Oratsimba</td>
<td>7,299</td>
<td>-</td>
<td>(8,848)</td>
<td>(2,256)</td>
<td>(3,805)</td>
<td>(8,341)</td>
</tr>
<tr>
<td>Soaiegnia</td>
<td>186</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(186)</td>
<td>-</td>
</tr>
<tr>
<td>General Health</td>
<td>-</td>
<td>-</td>
<td>(66)</td>
<td>-</td>
<td>(66)</td>
<td>-</td>
</tr>
<tr>
<td>Malio *</td>
<td>59,309</td>
<td>117,118</td>
<td>(104,829)</td>
<td>(13,551)</td>
<td>58,047</td>
<td>(105,580)</td>
</tr>
<tr>
<td>Phelsuma</td>
<td>2,907</td>
<td>-</td>
<td>(556)</td>
<td>(2,252)</td>
<td>99</td>
<td>(1,296)</td>
</tr>
<tr>
<td>Fagnampy</td>
<td>276</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(276)</td>
<td>-</td>
</tr>
<tr>
<td>Mitsinjo</td>
<td>9,454</td>
<td>41,639</td>
<td>(31,707)</td>
<td>(5,468)</td>
<td>13,918</td>
<td>(26,075)</td>
</tr>
<tr>
<td>School In A Bag</td>
<td>2,307</td>
<td>-</td>
<td>(462)</td>
<td>(1,845)</td>
<td>-</td>
<td>(1,383)</td>
</tr>
<tr>
<td>Fatsaka</td>
<td>9,995</td>
<td>2,500</td>
<td>(6,443)</td>
<td>(1,140)</td>
<td>4,912</td>
<td>(1,583)</td>
</tr>
<tr>
<td>Seraseriya</td>
<td>-</td>
<td>6,126</td>
<td>(1,665)</td>
<td>-</td>
<td>4,461</td>
<td>-</td>
</tr>
<tr>
<td>Tatirano</td>
<td>-</td>
<td>21,025</td>
<td>(15,613)</td>
<td>-</td>
<td>5,412</td>
<td>-</td>
</tr>
<tr>
<td>Rufus</td>
<td>-</td>
<td>15,713</td>
<td>(4,590)</td>
<td>(1,571)</td>
<td>9,552</td>
<td>(3,162)</td>
</tr>
<tr>
<td>Rohy</td>
<td>-</td>
<td>8,997</td>
<td>(4,096)</td>
<td>-</td>
<td>4,901</td>
<td>-</td>
</tr>
<tr>
<td>Renitantely</td>
<td>-</td>
<td>14,995</td>
<td>(542)</td>
<td>-</td>
<td>14,453</td>
<td>-</td>
</tr>
<tr>
<td>Fire Appeal</td>
<td>-</td>
<td>5,341</td>
<td>(2,603)</td>
<td>-</td>
<td>2,738</td>
<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>176,517</strong></td>
<td><strong>350,200</strong></td>
<td><strong>(282,577)</strong></td>
<td><strong>(37,074)</strong></td>
<td><strong>207,066</strong></td>
<td><strong>(279,543)</strong></td>
</tr>
</tbody>
</table>

All restricted funds are held for the charity’s primary objectives and activities and have arisen for the following specific purposes:

- **Project Fanaka**: works alongside Project Sekoly to improve the learning environment for pupils through the provision of classroom furniture;
- **Votsira**: is focused on maternal health research and explores cultural, social and economic factors affecting women’s access to health services, covering the full birth cycle and postnatal care etc.;
- **Safidy**: was developed to ensure vital sexual health information, operating through school clubs and workshops following the end of Projects Teza and Mampisaina;
- **Magnampy**: is an expansion of the Community Led Total Sanitation (CLTS) and works to eliminate open defecation;
- **Sekoly**: aims to increase access to formal education for children in order to alleviate poverty, build community capacity and enhance the quality of life in the Anosy region;
- **Mampianatra and English Teaching**: aims to increase the long-term sustainability of Azafady’s English teaching programme;
Section 3. Financial statements for year ending 30th June 2016

Notes to the financial statements

Miaro: aims to build the capacity of villagers in Sainte Luce to improve the management of their natural resources and interact effectively with diverse external stakeholders;

Stitch Sainte Luce: was set-up to offer embroidery training in Sainte Luce as an opportunity for local women to learn new skills in order to enhance family livelihoods;

Project Oratsimba: is a community-based approach to improved marine resource management, focusing specifically on the management of lobsters in the area.

*Malio: Project Malio is a 3 year initiative funded by the Big Lottery Fund Grant (£374,065) & Guernsey Overseas Aid Commission (£58,443) and aims to increase access to safe sanitation infrastructure and increase uptake of improved hygienic behaviours.

Phelsuma: aims to study the endemic Phelsuma antanosy day gecko in Sainte Luce to inform future conservation measures and future habitat management.

Fagnampy: is working with the Miaro Committee and community in the reforestation of Sainte Luce to provide sustainable timber.

Mitsinjo: aims to deliver training in bee keeping, honey production, cultivation of agro-forestry trees and construction of fuel-efficient stoves.

Schools In A Bag (SIAB): working with SIAB, Azafady is distributing some 300 school bags in the local schools network in Fort Dauphin. The bags contain useful items such as stationery, colour pencils and rain macs to encourage children to stay in school.

Fatsaka: to increase access to clean drinking water in rural communities by refining Azafady’s approach to building community capacity to manage and maintain protected water resources.

Serasera: through the production and distribution of bespoke English language learning resources, Serasera aims to increase the English capabilities of high school students and the wider community, expanding employment opportunities.

Tatirano: improving access to clean drinking water via rainwater harvesting on Primary School buildings using a simple, affordable and replicable technique.

Rufus: conducting collaborative research and local conservation awareness-raising to enhance the long-term survival of Madagascar’s flying fox bats and contribute to an international body of knowledge regarding their lifecycle and behaviour.

Rohy: linking and expanding existing health and conservation initiatives by promoting and supporting cross-sector collaboration. It will increase understanding of the interconnected nature of community challenges while strengthening regional capacity to identify and respond effectively to needs.

Renitantely: working to improve the sustainability and viability of beekeeping as a livelihood amongst rural communities in the Anosy region.

Fire Appeal: starting as an emergency fire response initiative, involving the distribution of essentials and rebuilding homes and latrines, this project now includes the development of fire mitigation strategies.

The transfers from restricted funds have arisen to enable the charity to account for the cost of office and administration of the various projects undertaken.
15. Unrestricted income funds

<table>
<thead>
<tr>
<th></th>
<th>At 1st July 2015</th>
<th>Incoming resources</th>
<th>Outgoing resources</th>
<th>Transfers</th>
<th>At 30th June 2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>General fund</td>
<td>107,705</td>
<td>166,013</td>
<td>(196,552)</td>
<td>37,074</td>
<td>114,240</td>
</tr>
</tbody>
</table>

16. Analysis of net assets between funds

<table>
<thead>
<tr>
<th></th>
<th>Tangible fixed assets</th>
<th>Net current assets</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£</td>
<td>£</td>
<td>£</td>
</tr>
<tr>
<td>Restricted funds</td>
<td>570</td>
<td>206,496</td>
<td>207,066</td>
</tr>
<tr>
<td>Unrestricted funds</td>
<td>2,845</td>
<td>111,395</td>
<td>114,240</td>
</tr>
<tr>
<td></td>
<td><strong>3,415</strong></td>
<td><strong>317,891</strong></td>
<td><strong>321,306</strong></td>
</tr>
</tbody>
</table>

17. Financial commitments

At 30th June 2016 the company had annual commitments under non-cancellable operating leases in respect of land and buildings as follows:

<table>
<thead>
<tr>
<th>Expiry date:</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Within one year</td>
<td>1,212</td>
<td>1,212</td>
</tr>
</tbody>
</table>

18. Related party transactions

There were no related party transactions that required disclosure during the year.